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## MINUTES

### REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD TUESDAY, JULY 7, 2009

The Board of Commissioners was called to order at 7:36 p.m.

#### PLEDGE OF ALLEGIANCE

#### 1. ROLL CALL

Present: Commissioner deHaan, Gilmore, Matarrese, Tam, Torrey and Chair Johnson

Absent: None

#### 2. CONSENT CALENDAR

Commissioner Tam moved acceptance of the Consent Calendar. Commissioner Torrey seconded. Motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

\*2-A. Minutes of the Regular Board of Commissioners meeting held April 7, 2009. Minutes were accepted.

\*2-B. Approved Awarding a Contract to Overland Pacific & Cutler, Inc. for Relocation Services for an Amount Not to Exceed \$157,000, and Authorize the Executive Director to Execute the Contract.

\*2-C. Awarded a Contract to Tree Sculpture Group, Inc. for Ongoing Landscape Maintenance Services Starting July 8, 2009, for \$99,096, and with the Option to Renew the Contract for Up to Two Additional One-Year Terms with Increases of 2 Percent the Second Year and 2.5 Percent the Third Year, Contingent Upon Funding and a Good Contractor Performance Evaluation; and Authorized the Executive Director to Execute the Contract.

#### 3. AGENDA

3-A. Acquire Two Housing Complexes from the Filipino American Community Services Agency at 745 Lincoln Avenue and 1416 Sherman Street in Alameda. Executive Director Michael Pucci stated in October 2008 the Housing Authority approached the Board of Commissioners with a proposal to purchase these two properties. The Housing Authority has been managing the properties since the early 1990's for the Filipino American Community Services Agency (FACSA). The Housing Authority has been able to operate them as affordable housing with a small yearly surplus. FACSA will no longer be operating as a non-profit and agreed to sell the property to the Housing Authority for \$1.00 each. The Housing Authority will assume existing debt and make repairs to the property. The existing debt totals \$1.6 million; the first mortgage is \$360,000 with U.S. Bank, and the second is \$1,300,000 with Alameda County HOME loans. The Housing Authority has been trying to negotiate refinancing of the first mortgage and get the HOME loans transferred to the Housing Authority. The County is willing to transfer at 3% simple interest, deferred for at least 3 years. The first mortgage is problematic to refinance because of the turmoil in the banking industry; the best option given was to fully collateralize the loans but it doesn't make sense to do that. The Housing Authority also researched borrowing from the Community Improvement Commission and City of Alameda. It was decided that the Housing Authority has operating reserves for managed housing to make a short-term

loan until the banking industry stabilizes to refinance later. Mr. Pucci said the Housing Authority is proposing to:

1. Approve the acquisition of 745 Lincoln Avenue and 1416 Sherman Street from the Filipino American Community Services Agency; and
2. Approve setting up a loan with Housing Authority reserves in the amount of \$360,000 at 4% interest amortized over 30 years; and
3. Explore other financial institutions for a loan or loans with favorable rates and terms; and
4. Authorize the Executive Director to execute the loan documents and close escrow for the acquisition of these two properties.

Chair Johnson asked about an appraised value for the properties. Mr. Pucci responded an appraisal was done at total value of \$2.4 million.

Chair Johnson asked if the loans are original. Mr. Pucci responded affirmative.

Commissioner deHaan questioned the amount from the reserve fund. Mr. Pucci explained it is an operating reserve for Anne B. Diamant which is currently over \$1 million. Mr. deHaan asked if this would jeopardize the reserve. Mr. Pucci stated no.

Commissioner Matarrese asked why housing in-lieu of funds from redevelopment were not used for a loan instead of the operating reserve. Mr. Pucci explained the housing in-lieu funds is one account managed by the Development Services Department and is more flexible, with no restriction under the Guyton settlement agreement, keeping the funds available for other programs. Leslie Little, Development Services Department, explained they have limited sources of funding for moderate affordable housing programs and it was difficult to relinquish these funds for low or very-low income housing projects. Their total collection of affordable housing dollars must go to low or very-low construction, with very few sources for moderate income units.

Commissioner Matarrese questioned why housing in-lieu funds could not be used for this purchase. Mr. Little reiterated that this would take away almost all funding for moderate income programs.

Commissioner Matarrese questioned how the in-lieu funds are used. Ms. Little said they have no restrictions and the provisions are for low, very-low, and moderate income. This would take away all of the money available for moderate income programs such as the Down Payment Assistance program.

Commissioner Matarrese asked if there were other funds available. He expressed his concern about using operational reserves. Ms. Little said there is a 20 percent set aside and explained the deed restrictions attached to the set aside.

Commissioner Matarrese explained the cost to build is more expensive than to purchase and develop these nine units. Mr. Little said these units are already in the affordable housing inventory and will not be counted as new units. The bigger concern is that the Housing Authority wants to restructure all the financing on the units in the future and have no restrictions.

Chair Johnson asked if these are original loan balances. Mr. Pucci responded yes. The Housing Authority has been paying on the U.S. Bank loan but not on the Alameda County HOME loan. Chair Johnson asked the interest rate on the Alameda County HOME loan. Mr. Pucci responded 3 percent simple interest. Chair Johnson asked if the loan balance escalates. Mr. Pucci responded yes.

Commissioner Tam asked if rents cover the payments and show a positive. Mr. Pucci responded yes and the rents will also add to the reserves. Commissioner Tam asked

if all nine units were occupied. Mr. Pucci responded yes. Commissioner Tam asked about relocating tenants during renovations. Mr. Pucci explained tenants will be moved to other Housing Authority complexes during rehabilitation.

Commissioner Gilmore asked if the amount requested from the operating reserves is \$360,000. Mr. Pucci confirmed yes. Commissioner Gilmore asked if the \$1.3 million for the HOME loan is for the assumption and if there will be deferred payments for at least two years before paying any principal interest. Mr. Pucci said yes.

Chair Johnson asked what the current amount is owed on the Alameda HOME loan, with interest. Mr. Pucci said the interest was forgiven. Chair Johnson asked if future interest will be forgiven. Mr. Pucci believes, unless there is no surplus, interest may be owed.

Commissioner Tam moved acceptance. Commissioner Torrey seconded. Motion carried unanimously.

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#### 4. ORAL COMMUNICATIONS

Speaker Mina Katoozian asked about the Housing Authority waiting list for senior citizens for her parents. In 2004 her parents filed for affordable housing with the Housing Authority and said the records were lost. She explained her experience with the Housing Authority and asked for assistance. Mr. Pucci explained that the waiting list for the elderly was opened in May. He said it is too difficult to determine when her parents will be selected because selection is done randomly as a lottery. Additionally, unit turnover is low at Housing Authority senior complexes.

Ms. Katoozian said they applied in 2004 and their application is not on record. Ms. Katoozian did not keep a copy of their 2004 application, just a copy of a guide. Chair Johnson said a new list has been established. Mr. Pucci said it may take less than five years to come to the top of the new waiting list. Chair Johnson expressed her sympathy and talked about the shortage of affordable housing.

Ms. Katoozian has heard of cases where people do get housing quickly. Chair Johnson asked her to submit information in writing to her or the City Manager. Commissioner deHaan said her point of contact is Mr. Pucci.

Commissioner deHaan asked for ongoing feedback from Mr. Pucci. Mr. Pucci said absolutely and added the Housing Commission meets July 15 and these are items the Commission will discuss.

Chair Johnson asked if the 2004 records are missing. Mr. Pucci replied no, the records are in order. Commissioner deHaan asked if the 2004 list was depleted. Mr. Pucci said a few families remain on the list and waiting lists are not blended. A new list is developed after the 2004 list is depleted. Chair Johnson questioned why the speaker believed all of the 2004 records are gone. Mr. Pucci does not understand and will look into the records.

Commissioner Matarrese asked for written procedures. Mr. Pucci said the 2004 waiting list is separate from the new list. Names are pulled until the list is depleted, preferences are given to Alameda citizens and veterans. Commissioner Matarrese asked for an Off-Agenda report to explain the rules. Mr. Pucci responded affirmative.

5. COMMISSIONER COMMUNICATIONS

None.

6. ADJOURNMENT

There being no further business, Chair Johnson adjourned the meeting at 7:59 p.m.

Attest:

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Beverly Johnson, Chair

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Michael T. Pucci  
Executive Director / Secretary